

[4 May, 2007]

RAJYA SABHA

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH): (a) Yes, Sir.

(b) to (d) In order to ensure that over production of sugar does not lead to a situation of mounting cane price arrears, the Central Government on 24th March, 2007 have decided as under:—

- (i) to provide export, assistance to defray the internal transport and freight charges, marketing and handling charges at the flat rate of Rs. 1350 per ton on export of domestically manufactured suger from sugar factories situated in the coastal States and at the flat rate of Rs. 1450 per ton from sugar factories situated in other than coastal States. Exports made under Open General License (OGL) only (and not under 'advance license') on or after 19th April, 2007 and upto 18th April, 2008 or till further orders, whichever is earlier, would be eligible for this assistance. The estimated cost of the export assistance is Rs. 205 crores. The amount so received is to be used for cane price payment.
- (ii) to create a buffer stock of 20 lac tons for a period of one year (01-05-2007 to 30-04-2008) under which interest charges, insurance and storage charges for the quantity taken as buffer will be reimbursed to sugar factories. The cost of this subsidy is estimated to be about Rs. 378 crores for one year. Further, banks would provide additional credit of about Rs. 420 crores on creation of 20 lac tons of buffer. Thus, about Rs. 798 crores would be available with sugar factories to pay cane price to sugarcane farmers, for the sugar season 2006-07 including the cane price arrears of previous sugar seasons. The buffer subsidy and the additional credit are to be used exclusively for the payment of cane price.

#### **Wheat procurement by FCI**

†3241. SHRI SHATRUGHAN SINHA: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the target of purchasing wheat fixed by the Food Corporation of India during the current year;

---

†Original notice of the question was received in Hindi.

(b) whether Government have instructed five major private companies to keep away from purchasing wheat from Punjab and Haryana to achieve the said target; and

(c) if so, the outcome thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH): (a) Since procurement of foodgrains under Minimum Support Price (MSP) operations carried out by the Food Corporation of India and State agencies is open-ended, no targets are fixed. However, based on estimates given by State Food Secretaries, before the start of Rabi Marketing Seasons (RMS) 2007-08, the procurement of wheat in RMS 2007-08 is estimated at 151.5 lakh tonnes.

(b) No, Sir.

(c) Does not arise.

#### **Price of sugar**

†3242. SHRI RAVI SHANKAR PRASAD:  
SHRI RAM JETHMALANI:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that whole sale price of sugar in the country has come down to Rs. 1400-1500-per quintal at present compared to Rs. 1900-2000 per quintal in recent months;

(b) if not, the facts thereof and the wholesale price of sugar in domestic market during March and April, 2007;

(c) whether it is a fact that the actual price of sugar to be exported from the country has been fixed at Rs. 1,275 per quintal for its shipment;

(d) if not, the facts thereof, and

(e) the reasons responsible for fixed low price of sugar for foreign consumers compared to domestic consumers by the sugar industry?

---

†Original notice of the question was received in Hindi.